

Mental Health Trust Land Facilities Maintenance**FY2008 Request: \$350,000**
Reference No: 40474

AP/AL: Appropriation **Project Type:** Deferred Maintenance
Category: Natural Resources
Location: Statewide **Contact:** Nico Bus
House District: Statewide **Contact Phone:** (907)465-2406
Estimated Project Dates: 07/01/2007 - 06/30/2012

Brief Summary and Statement of Need:

The Trust Land Office (TLO) manages facilities owned by the Alaska Mental Health Trust Authority. As part of our mission to protect and enhance values of and maximize revenues from Alaska Mental Health Trust Land, any improvements upon that land must be maintained accordingly.

Funding:	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	Total
MHTAAR	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$2,100,000
Total:	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$2,100,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input checked="" type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
<u>One-Time Startup:</u>	<u>0</u>	<u>0</u>
Totals:	0	0

Additional Information / Prior Funding History:

SLA06/CH34 - \$350,000
 FSSLA05/CH5 - \$100,000

Project Description/Justification:

Sec 37.14.009 (a) (2) of the Alaska Statutes requires that the Alaska Mental Health Trust Authority “contract with the Department of Natural Resources to manage the land assets of the Trust, in conformity with AS 38.05.801 (Trust Land Management). 11AAC 99.020(b) requires that Trust land be managed “solely in the best interest of the Alaska Mental Health Trust and its beneficiaries. When determining the best interest of the Trust and its beneficiaries the TLO must consider specific principles set out in 11 AAC 99.020(c):

- maximization of long-term revenue from trust land;
- protection of the corpus;
- protection and enhancement of the long-term productivity of trust land;
- encouragement of a diversity of revenue-producing uses of trust land; and
- management of trust land prudently, efficiently, and with accountability to the trust and its beneficiaries.

Effective management of Trust lands over time requires the expenditure of core operating costs to address annual costs of basic Trust land management. In addition to these costs, supplemental funds are needed to address the types of projects noted above. This request addresses the “supplemental” costs that are incurred to comply with the intent of AS 38.05.801 and its associated regulations. Typically, these costs translate into funds used to hire private sector contractors that provide specific land management, pre-disposal or disposal services to the TLO. Requested funds will come from the Trust and not the General Fund.

Cost estimates associated with the requested funds are based on over ten years of operating experience as well as an awareness of costs associated with comparable projects elsewhere in the state. Supplemental funding requests are

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minimized; to the extent it is reasonable to do so, by passing development costs (e.g., surveys, appraisals, etc.) onto the end user (e.g., buyer or lessee).

Why is this Project Needed Now: This is a relatively new project for the Trust Land Office with lease revenues on facilities originating half-way through FY05. Funds requested for FY08 will enable the TLO to complete property management responsibilities and maintenance.

Specific Spending Detail: Allocation of requested funds will be distributed in Contractual and/or Capital Outlay. Decisions could also be made to shift funds between categories depending on the nature of the repair.

Line Item Expenditures:

Contractual Services	\$300.0
Property Management, Snow Removal, Elevator Maintenance & Repair, Janitorial, Electric, Gas, Water & Sewer, etc.	
Capital Outlay	\$50.0
Roof repair and/or replacement, HVAC repair and/or replacement, etc.	

Project Support: Approved by the Alaska Mental Health Trust Board of Trustees during the annual budgeting process.

Project Opposition: There is no known opposition.